GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1796
ANSWERED ON:29.11.2002
12th FINANCE COMMISSION
A. VENKATESH NAIK;CHANDRA BHUSHAN SINGH;NARESH KUMAR PUGLIA;SRIPRAKASH JAISWAL;SURESH KODIKUNNIL

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have constituted the 12th Finance Commission;

(b) if so, the details thereof;

(c) the number of recommendations made by the 11th Finance Commission;

(d) the number of recommendations implemented so far; and

(e) the reasons for not implementing the remaining recommendations?

Answer

Minister of State in the Ministry of Finance & Company Affairs (Shri Anandrao V. Adsul)

(a) & (b): The Government have constituted the Twelfth Finance Commission vide Notification dated1st November, 2002 under the Chairmanship of Dr. C. Rangarajan, Governor of Andhra Pradesh, with the following composition:-

1. Shri Som Pal, Member, Planning Commission Member (Part-Time)

2. Shri T.R. Prasad, IAS (retd.), former Cabinet Secretary Member

3. Prof. D.K. Srivastava of the National Institute of Public Finance and Policy Member

4. Shri G.C.Srivastava, IAS Secretary

(c) to (e) The recommendations of the Eleventh Finance Commission (EFC) fall under two heads.The first set of recommendations are mandatory under articles 270 and 275(I) of the Constitution. These pertain to devolution of Central taxes, Grants-in-aid for the schemes of Calamity Relief Fund (CRF),Non-Plan Revenue Deficit Grant (and constitution of an Incentive Fund for fiscal performance based grants), Local Bodies and Upgradation/Special Problem Grants. These recommendations are being implemented in full.The EFC had also recommended a scheme for constitution of National Calamity Contingency Fund

(NCCF), which has since been constituted and the scheme is being implemented.Further, a scheme for Debt Relief to States as recommended by EFC is beingimplemented. Other consequential recommendations/ observations are recommendatory in nature and primarily fall within the purview of the States.